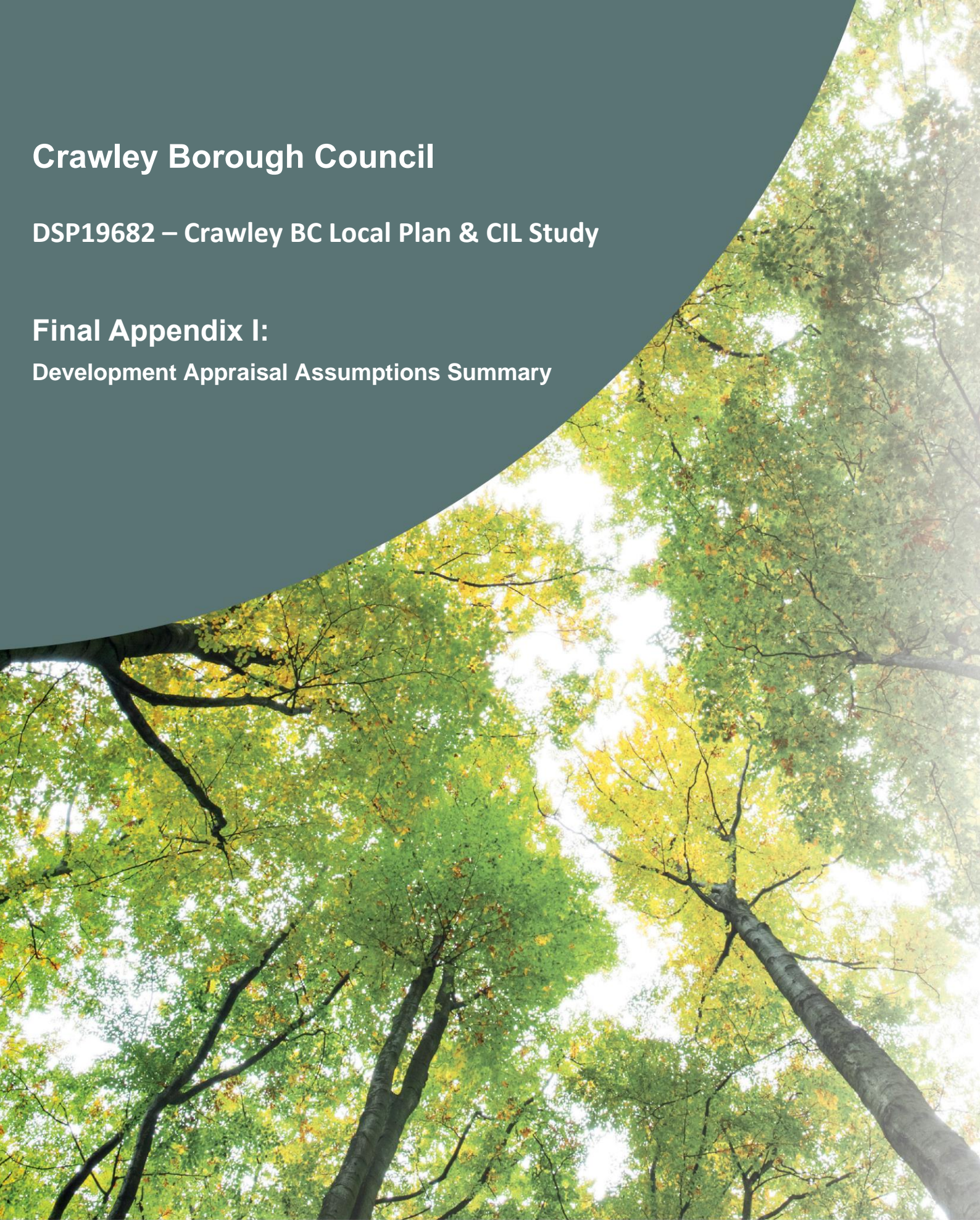


Crawley Borough Council

DSP19682 – Crawley BC Local Plan & CIL Study

Final Appendix I:

Development Appraisal Assumptions Summary



Crawley BC - Appendix I - Local Plan & CIL Viability Assessment - Residential Assumptions (Sheet 1 of 3)

Scheme Size Appraised	Type	Site Type	Dwelling Mix Application	Density	Net Land area (ha)	Gross Land Area (ha)	OS provision ¹ £ Financial Contribution only <i>Excludes large greenfield typology</i>	Skills Contribution ² - Policy EC4 (£) <i>Assumes average occupancy of 2.5 persons per dwelling</i>	Sustainable Transport ³ - Policy ST1 (£) <i>Assumes average occupancy of 2.5 persons per dwelling</i>	Main Build Period (Months)
9	Houses	Greenfield/PDL	Borough-wide Mix	35	0.26	0.30	N/A	N/A	N/A	12
9	Flats	PDL	Borough-wide Mix	100	0.09	0.10	N/A	N/A	N/A	12
10	Houses ⁴	Greenfield/PDL	Borough-wide Mix	40	0.25	0.29	£40,750	£6,175	£1,157	12
10	Flats	PDL	Borough-wide Mix	100	0.10	0.12	£40,750	£6,175	£1,157	12
10	Flats	PDL	Town Centre	200	0.05	0.06	£40,750	£6,175	£1,157	12
30	Flats Sheltered	PDL	Borough-wide Mix	125	0.24	0.28	£122,250	£18,525	£3,389	18
35	Flats	PDL	Borough-wide Mix	150	0.23	0.27	£142,625	£21,613	£3,930	18
35	Mixed ⁴	Greenfield/PDL	Borough-wide Mix	55	0.64	0.73	£142,625	£21,613	£3,930	18
50	Flats 3-5 Storey	PDL	Town Centre	150	0.33	0.38	£203,750	£30,875	£5,515	18
60	Flats Extra Care	PDL	Borough-wide Mix	125	0.48	0.55	£244,500	£37,050	£6,541	18
100	Flats 6+ Storey	PDL	Town Centre	200	0.50	0.65	£407,500	£61,750	£10,417	24
100	Flats 3-5 Storey	PDL	Borough-wide Mix	150	0.67	0.87	£407,500	£61,750	£10,417	24
100	Flats (Mixed Use) GF Retail	PDL	Town Centre	150	0.67	0.87	£407,500	£61,750	£10,417	18
Notes: ground floor retail element assumes rental value of £25 per sq. ft and a yield of 6.5% based on our experience of viability assessments at planning application stage in the borough and following review of the Knight Frank Yield guides (main and secondary) together with analysis of Co-Star property resource. Build costs assumed at £1,130/sq. m. based on BCIS 'shops generally' (median), rebased to Crawley. Total area of retail = 6,000 square feet (557.42 m ²).										
250	Flats 6+ Storey	PDL	Town Centre	200	1.25	1.63	£308,750	£154,375	£22,321	36
200	Flats 6+ Storey Build to Rent	PDL	Town Centre	200	1.00	1.30	£247,000	£123,500	£18,293	Timings bespoke to BTR typology
1000	Mixed	Greenfield (potential 'at Crawley')	Borough-wide Mix	40	25.00	50.00	10.55ha on-site provision	£617,500	£52,083	72*

¹ Maintenance costs excluded. It was agreed through the earlier project stages (Emerging Findings Stages 1-5) to assume a financial contribution only rather than on-site provision. DSP "land-take" allowance is applied - see 'Notes' below.

² As part of further policy development through earlier project phases (EF Stages 1-5) a cost reduction was requested for testing purposes as part of exploring working policy combinations.

³ For testing purposes, the level of contributions applied for ST1 was also adjusted downwards through a reduction in the 'cost per km' figure used within the formula as set out in the Planning Obligations Annex - agreed as part of the earlier project stages.

⁴ Includes additional sensitivity testing for increased sustainable transport contributions based on a 3km distance assumption (see Planning Obligations Annex for formula detail): 10 Houses = £6,944 (total) / 35 Mixed = £23,578 (total).

*assumes multiple developers/sales outlets

Notes:

Following earlier stages of testing (Emerging Findings Stages 1-5), the above scenarios have been modelled at 40% AH on sites of 10+ units (borough-wide) and 25% AH (town centre) (BtR tested at both 25% Affordable Private Rent (APR) and 20% APR). Sites from 1-9 to be tested with AH financial contributions. The appraisals have been completed in each case to the point at which a negative results is returned - we consider there to be no merit in extending testing beyond the points where there is a negative residual land value. Affordable Housing tenure split assumed at 75% Affordable rent and 25% Intermediate (borough-wide) and 60% Affordable Rent and 40% Intermediate (assuming 80% of market value) town centre - based on extensive discussions and earlier testing analysis with CBC (Emerging Findings Stages 1-5). 'Affordable Private Rent' in BtR developments assumed to have rents at 80% of market rent. 10% Low Cost/Affordable Home Ownership (AHO) of total overall requirements. The above assumes fully applied policy position following the adjustments resulting from the earlier stages of assumption/policy development. The actual AH percentage will necessarily vary due to policy requirement.

Land Area Adjustment - 15% added (30% added on largest sites 100 Flats+) plus OS allowance (financial contribution only) based on methodology as set out in the Planning Obligations Annex of the Draft Local Plan.

Specific Sites Allocations - tested separately using the same assumptions basis, with adjustments/positions as appropriate – and see App IIIb for detail.

Crawley BC - Appendix I - Local Plan & CIL Viability Assessment - Residential Assumptions (Sheet 1 of 3)

Unit Sizes - Affordable and Private Market

Unit Type	Unit Sizes (sq. m)*	*Note: Retirement/sheltered typology:
Studio flats	37	
1-bed flat	50	1-beds @ 55 sq. m; 2-beds @ 75 sq. m (Note 25% communal area content within retirement/sheltered typology)
2-bed flat	61	
2-bed house	79	*Note: Extra care typology: 60 units typology Comprised of a 3:2 ratio of 1-bed to 2-bed units (36 no. 1-b; 24 no. 2-b)
3-bed flat	86	1-beds @ GIA 58.5 sq. m; 2-beds @ 76 sq. m (excluding communal areas - 35% communal area content).
3-bed house	93	
4-bed house	106	

*Based on Nationally Described Space Standards October 2015

Dwelling Mix Assumptions

Dwelling Mix as set out in Policy H4*	60% Market Housing Element (Private Sale and Private Rent)		40% Affordable Housing Element (Intermediate and Rental Tenure)
	Town Centre	Borough-Wide	
1 Bed	25% - 30% (10% Studio Flats)	10%	25% - 30%
2 Bed	40% - 45%	25%	30% - 35%
3 Bed	25%	40%	25% - 30%
4+ Bed	5%	25%	5% - 10%

*Draft Local Plan 2020-2035 Jan 2020

Note: Town centre scenarios applies dwelling mix to 1-3 beds only.

Residential Value Assumptions Indications

Market Values (MV) - Private Units (only)*	VL1	VL2	VL3	VL4	VL5	VL6	VL7	VL8	VL9+
Typical New Build Values			Borough Wide New Build			Town Centre New Build			
Indicative Applicable VL Range by Ward Area	Bewbush and North Broadfield, Langley Green and Tushmore			Maidenbower, Town Centre Area					
	Furnance Green								
	Gossops Green and North East Broadfield								
	Ifield, Pound Hill South and Worth, Southgate								
	Tilgate								
	Broadfield, Northgate and West Green, Pound Hill North and Forge Wood								
	Three Bridges								
Studio flat	£120,250	£129,500	£138,750	£148,000	£157,250	£225,000	£237,500	£250,000	£275,000
1-bed flat	£162,500	£175,000	£187,500	£200,000	£212,500	£274,500	£289,750	£305,000	£335,500
2-bed flat	£198,250	£213,500	£228,750	£244,000	£259,250	£355,500	£375,250	£395,000	£434,500
3-bed flat	£279,500	£301,000	£322,500	£344,000	£365,500	£387,000	£408,500	£430,000	£473,000
2-bed house	£256,750	£276,500	£296,250	£316,000	£335,750	£355,500	£375,250	£395,000	£434,500
3-bed house	£302,250	£325,500	£348,750	£372,000	£395,250	£418,500	£441,750	£465,000	£511,500
4-bed house	£344,500	£371,000	£397,500	£424,000	£450,500	£477,000	£503,500	£530,000	£583,000
MV (£ / sq. m.)	£3,250	£3,500	£3,750	£4,000	£4,250	£4,500	£4,750	£5,000	£5,500

Note: Sheltered Housing and Extra Care tested at VL7 to VL9+

Affordable Housing Revenue Assumptions

Unit	Affordable Rent	
	LHA Cap	Average AH Transfer Price (LHA Cap)
Studio	£84.40	£67,381
1-bed	£163.46	£113,233
2-bed	£200.47	£136,525
3-bed	£233.12	£167,339
4-bed	£324.38	£253,466

Note: Affordable Rents are capped at LHA (note single BRMA in Crawley) - LHA rates are based on LHA from 2019. Shared Ownership assumed at 60% of market value for borough-wide typologies and 80% of market value for town centre typologies.

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Crawley BC - Appendix I - Local Plan & CIL Viability Assessment - Residential Assumptions (Sheet 2 of 3)

Development / Policy Costs	Crawley BC	Notes / variances
RESIDENTIAL BUILDING, MARKETING & S106 COSTS		
Build Costs Estate Housing - generally (£/sq. m) ¹	£1,259	BCIS figures are exclusive of external works
Build Costs Mixed Developments - generally (£/sq. m) ¹	£1,280	
Build Costs Flats - generally (£/sq. m) ¹	£1,427	
Build Costs Flats - Extension (£/sq.m) ²	£1,700	85% Net:Gross floor area ratio
Build Costs Flats - 3-5 Storeys (£/sq.m) ¹	£1,390	
Build Costs Flats - 6+ Storey (£/sq. m) ¹	£1,669	
Build Costs (Supported Housing - Generally) (£/sq.m) ¹	£1,855	Retirement - Sheltered and Extra Care (plus additional allowances for communal areas (@ 25% & 35% respectively, from base 15%)
External Works	10% (Flats) 15% (Houses)	added to build costs
Site Works (on gross)	£500,000/ha	Additional cost allowances for larger site typologies <i>Note: DSP to assume Harman costs at £17,000 - £23,000/dwelling equivalent (indexed) - larger scale development (500+ dwellings) where applicable unless specific infrastructure costs available.</i>
Contingencies (% of build cost)	5%	3% assumed for the 1000 Mixed strategic scale typology. Bespoke allowances made for Site Allocations
Professional & Other Fees (% of build cost)	10%	Increased to 11% on the 100 Flats 6+ Storey (Town Centre) typology to reflect enhanced design requirements as described in the Local Plan. 8% assumed for the 1000 Mixed strategic scale typology.
Sustainable Design / Construction Standards (% of build cost)	5%	Test at 4% represents meeting the enhanced sustainability requirements set out as part of the potential forthcoming new Future Homes Standard (Option 2) plus costs for meeting the requirements of SD1, SD2 and DD4, together with additional allowance for biodiversity net gain where applicable. ³
Adopted CIL rate ⁴	Tested at £123.25/sq. m indexed rate	CIL adopted rate at £100/sq.m and tested at current indexed rate of £123.25/sq.m (as at January 2020)
Water Efficiency Standards	100 litres per person per day	See Local Plan Policy SDC3 - any additional cost is assumed de minimis.
Policy DD2 - Access Potential Building Regs M4 (2) Compliance (£ per unit) ⁵	£1,646 (Flats) £2,447 (Houses)	100% of units
Residual s.106 /non-CIL costs (£ per unit) - small scale PDL / Greenfield sites ⁶	£1,000	<i>Bespoke assumption for the 'at Crawley' typology test</i>
Marketing & Sales Costs (%of GDV)	3%	
Legal Fees on sale (£ per unit)	£750	
DEVELOPER'S RETURN FOR RISK AND PROFIT		
Open Market Housing Profit (% of GDV)	17.5%	Range of 15% - 20%, DSP assumed testing at mid-point of range at 17.5%
Affordable Housing Profit (% of GDV)	6%	
FINANCE & ACQUISITION COSTS		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	HMRC scale
Finance Rate - Build (%)	6.5%	
Finance Rate - Land (%)	6.5%	

Notes:

¹ Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The BCIS figure for Crawley has been used and averaged across the area. External added separately at 10-15%. Site works added separately.

² Informed by DSP experience of local schemes

³ The level and scope of this assumption developed through earlier project phases (EF Stages 1-5), particularly noting the refinement of DD4, wider scope of sustainability aspirations and BNG.

⁴ Through earlier project phases, education contributions are assumed to be met through CIL.

⁵ EC Harris DCLG Housing Standards Review Cost Impact indicate average extra over cost to be £1,646 (Cat.2) and £15,691 (additional space cost (Cat. 3)) for flats and £2,447 (Cat.2) and £26,816 (additional space cost (Cat.3 adaptable)) for houses. Earlier EF Stages 1-5 led to refining original CBC policy aspirations for M4(3) to only seek M4(2) compliance.

⁶ Earlier project stages tested an alternative residual S106 allowance, however following an extensive information review and internal CBC discussions led to refinement of this assumption - based on the assumption that some S106 are being delivered through CIL (e.g. education contributions) together with other contributions included as part of specific assumptions e.g. skills, sustainable transport etc.

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Crawley Borough Council - Appendix I - Local Plan & CIL Viability Assessment - Site Allocations: Assumptions (Sheet 3 of 3)

Site Allocations - Bespoke Testing	Existing Use	Site Area (ha)	Indicative Capacity (approx no. of dwellings)	Indicative Residential Market Value (£/sq. m.)	Open Space Allowance (Planning Obligations Annex)	Skills Contribution ² - Policy EC4 (£) <i>Assumes average occupancy of 2.5 persons per dwelling</i>	Sustainable Transport ³ - Policy ST1 (£) <i>Assumes average occupancy of 2.5 persons per dwelling</i>	Residential Contingency Allowance (% of cost)	Assumed Non-Residential Element	
Land South East of Heathy Farm, Balcombe Road, Forge Wood <i>Tested at 40% AH</i>	Greenfield Site	4.15	150	£4,000	1.10	£92,625	£28,929 <small>NOTE: Assumes 0.9km distance from public transport connection</small>	10%	N/A	
Land Adjacent to Desmond Anderson, Tilgate <i>Tested at 40% AH</i>	School (surplus educational land) (PDL)	3.39	150	£4,000	1.10	£92,625	£16,071 <small>NOTE: Assumes 0.5km distance from public transport connection</small>	15%	N/A	
Tinsley Lane Playing Fields, Three Bridges <i>Tested at 40% AH</i>	Greenfield Site	3.3	120	£4,100	0.88	£74,100	£13,081 <small>NOTE: Assumes 0.5km distance from public transport connection</small>	10%	N/A	
County Buildings, Northgate (Town Centre) <i>Tested at 25% AH</i>	Existing office/educational buildings and parking (PDL)	0.58	100	£4,200	£161,100 (Financial Contribution only)	£61,750	£11,029 <small>NOTE: Assumes 0.5km distance from public transport connection</small>	15%	5,200sqm	Office uses @ £200/sq.m. (BCIS £1,987/sq.m.), 6% Yield
St Catherine's Hospice, Malthouse Road, Southgate <i>Tested at 40% AH</i>	Existing Hospice (PDL)	0.73	60 (Sheltered Housing)	£5,500	£96,600 (Financial Contribution only)	£37,050	£6,777 <small>NOTE: Assumes 0.5km distance from public transport connection</small>	10%	N/A	
21, 25, 27 & 29 Tushmore Lane, Northgate <i>Tested at 40% AH</i>	Existing residential properties and adjoining curtilage (PDL)	0.60	63	£4,150	£101,430 (Financial Contribution only)	£38,903	£7,103 <small>NOTE: Assumes 0.5km distance from public transport connection</small>	10%	N/A	
Wingspan Club Residual Land, Manor Royal - NON-RESIDENTIAL	Greenfield Site	0.64	n/a	n/a	n/a	£25,126	Small contribution only - expected to be covered by BREEAM Contingency	N/A	2787sqm	Industrial uses @ £100/sq.m. (BCIS £826/sq.m.); Yield range 4.5% - 6.5% Policy EC3 Manor Royal (public realm improvements) @ £2/sqm = £5,574 (total)
Nexus, Gatwick Road, Manor Royal - NON-RESIDENTIAL	Existing Car Park	0.64	n/a	n/a	n/a	£23,440	Small contribution only - expected to be covered by BREEAM Contingency	N/A	2,600sqm	Industrial uses @ £100/sq.m. (BCIS £826/sq.m.); Yield range 4.5% - 6.5% Policy EC3 Manor Royal (public realm improvements) @ £2/sqm = £5,574 (total)
Gatwick Green - NON-RESIDENTIAL	Greenfield Site	24.1	n/a	n/a	n/a	£315,633	N/A	N/A	77,800sqm	Industrial - storage and distribution uses @ £120/sq.m. (BCIS £826tbc/sq.m.); Yield range 4.5% - 6.5%

General Non-Residential Development Cost Assumptions:	
BREEAM / other enhancements addition contingency (% of cost)	5%
External Works	15%
Professional Fees (% of cost)	10%
Contingencies (% of cost)	5%
Planning / Building Regs etc / insurances (% of cost)	2%
Site survey / preparation costs / S106	Variable
CIL	N/A
Finance Costs	
Finance rate p.a. (including over lead-in and letting / sales period)	6.50%
Arrangement / other fees (% of cost)	2%
Marketing Costs	
Advertising Fees (% of annual income)	1%
Letting Fees (% of annual income)	10%
Purchaser's costs	5.75%
Developer Profit (% of GDV)	15%
Yields	Variable applicability from 5% to 8%
Site Acquisition Costs	
Agents Fees (% of site value)	1.50%
Legal Fees (% of site value)	0.75%
Stamp Duty (% of value - HMRC scale)	0 to 5%

Crawley BC - Appendix I - Local Plan & CIL Viability Assessment Build to Rent - Rental and Investment Value Assumptions (Sheet 1 of 2)

CIL rate CRAWLEY £123.25/sq. m for 2020			Rents (based on 20% increase on average PRS rent for similar properties within 1 mile of Crawley railway station)
Beds	sq ft	sq m	Rent per Month
1 Bed	538	50	£1,100
2 Bed	753	70	£1,250
3 Bed	926	86	£1,450

Affordable Private Rented units (BTR units provided at 80% of market rent as per Govt Guidance)	
Size of unit	Rent per month
1 Bed	£917
2 Bed	£1,042
3 Bed	£1,208

BTR tested with 25% Affordable Private Rent (APR) and 20% APR.

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Rental related assumptions	
Rent inflation	3%
IRR	6%
Net exit yield	4.25%
Management	7%
Maintenance	13%
Major Repairs	£10,000
Voids	2%
Bad debts	3%

Crawley BC - Appendix I - Local Plan & CIL Viability Assessment

Development / Policy Costs	Crawley BC	Notes / variances
RESIDENTIAL BUILDING, MARKETING & S106 COSTS		
Build Costs Flats - 3-5 Storeys (£/sq.m) ¹	£1,390	BCIS figures are exclusive of external works For info only (6+ storey figure applied in modelling)
Build Costs Flats - 6+ Storey (£/sq. m) ¹	£1,669	85% Net:Gross floor area ratio
External Works	10% (Flats)	added to build costs
Site Works	£500,000/ha	
Contingencies (% of build cost)	5%	
Professional & Other Fees (% of build cost)	10%	
Sustainable Design / Construction Standards (% of build cost)	5%	Test at 4% represents meeting the enhanced sustainability requirements set out as part of the forthcoming new Future Homes Standard (Option 2) plus costs for meeting the requirements of SD2, together with additional allowance for biodiversity net gain where applicable. (Applied to base build cost)
Adopted CIL rate	£123.25/sq.m	CIL tested at current indexed rate of £123.25/sq.m (as at January 2020)
Water Efficiency Standards	100 litres per person per day	See Local Plan Policy SDC3 - any additional cost is assumed de minimis.
Policy DD2 - Access Potential Building Regs M4 (2) Compliance (£ per unit)	£1,646 (Flats)	100% of units
Residual s.106 /non-CIL costs (£ per unit) - small scale PDL / Greenfield sites	£1,000	Per unit
Letting Agent Fees	10% of Yr 1 Rent	
Letting Legal Fees	5% of Yr 1 Rent	
Sales Agent Fee	1.50%	
Sales Legal Fee	0.50%	
Purchaser Costs	6.80%	
DEVELOPER'S RETURN FOR RISK AND PROFIT		
BTR units (profit on GDV of private units and Affordable Private Rent combined)	10% on GDV	
FINANCE & ACQUISITION COSTS		
Agents Fees (% of site value)	1.50%	
Legal Fees (% of site value)	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	HMRC scale
Finance Rate - Build (%)	6.5%	
Finance Rate - Land (%)	6.5%	

Notes:

¹ Build cost taken as "Median" figure from BCIS for that build type unless otherwise stated - e.g. flats ; houses storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The BCIS figure for Crawley has been used and averaged across the area. External added separately at 10-15%. Site works added separately.

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Crawley BC - Appendix I - Local Plan & CIL Viability Assessment - Commercial Assumptions

Use Class / Type	Example Scheme Type	GIA (m ²)	Site Coverage	Site Size (ha)	Build Period (Months*)	Values Range - Annual Rents £ per sq m			Build Cost (£ per sq m)**	External Works cost addition	Total Build Cost (£/sq m excl fees etc)	Notes
						Low	Mid	High				
Large Retail	Large Supermarket - out of town	1500	35%	0.43	18	£250	£275	£300	£1,494	15%	£1,718	BCIS - Hypermarkets / Supermarkets - generally.
Large Retail	Retail Warehouse	1000	40%	0.25	7	£225	£250	£275	£904	15%	£1,040	BCIS - Retail warehouses - up to 1,000 sq m.
Town Centre Retail	Comparison shops/(general/non shopping centre)	200	60%	0.03	6	£180	£230	£280	£1,130	50%	£1,695	BCIS - Shops - Generally
Small Retail	Convenience Store - various locations	300	75%	0.04	6	£150	£185	£220	£1,130	15%	£1,300	BCIS - Shops - Generally
Business - Offices - Town Centre	Office Building	500	200%	0.03	12	£175	£215	£250	£1,987	15%	£2,285	BCIS - Offices - 3-5 Storey; airconditioned
Business - Offices - Out of town centre /Business Park	Office Building	1000	40%	0.25	12	£175	£215	£250	£1,768	15%	£2,033	BCIS - Offices - 1-2 Storey; airconditioned
Business - Industrial / Warehousing	Distribution Centre (Gatwick Airport/Manor Royal)	8000	40%	2.00	18	£90	£110	£130	£826	15%	£950	BCIS - Advance factories / offices - mixed facilities (B1) - >2000
Business - Industrial / Warehousing	Smaller / Move-on type industrial unit including offices - industrial estate	500	40%	0.13	6	£100	£110	£120	£1,249	15%	£1,436	BCIS - Advance factories / offices - mixed facilities (B1) - generally
Business - Industrial / Warehousing	Larger industrial / warehousing unit including offices - industrial estate	2500	40%	0.63	12	£70	£80	£90	£826	15%	£950	BCIS - Advance factories / offices - mixed facilities (B1) - >2000
Hotel	Hotel - town centre / Gatwick Airport	2100	50%	0.42	18	£4,000	£5,000	£6,000	£2,072	15%	£2,383	BCIS - Hotels
C2 - Residential Institution	Nursing Home	1900	60%	0.32	16	Annual Room Rates			£1,819	15%	£2,092	BCIS - Care Homes for the Elderly - generally
						£175	£200	£225				
Student Accommodation	100% Cluster type Accommodation with ensuite (400 rooms)	7384	80%	0.92	18	Weekly Room Rates			£2,031	5%	£2,133	BCIS - Student Accommodation
						£150	£170	£190				
Other / Sui Generis	Variable - considered on strength of values / costs relationship basis for a range of other development uses including community / clinics / fitness/ leisure / nurseries etc. / car parking (multi-storey)	Value / costs relationship strength considered in report										

Development Costs	
Sustainability Allowance / other enhancements addition contingency (% of cost)	5%
Professional Fees (% of cost)	10%
Contingencies (% of cost)	5%
Planning / Building Regs etc / insurances (% of cost)	2.0%
Site survey / preparation costs / S106	Variable
Potential CIL - trial rates testing	at £25/m ² intervals up to £200/m ² including at relevant current indexed rate
Finance Costs	
Finance rate p.a. (including over lead-in and letting / sales period)	6.5%
Marketing Costs	
Advertising Fees (% of annual income)	1%
Letting Fees (% of annual income)	10%
Purchaser's costs	5.75%
Developer Profit (% of GDV)	15%
Yields	Variable applicability sensitivity tested across range at 5.0% to 7.0%
Site Acquisition Costs	
Agents Fees (% of site value)	1.50%
Legal Fees (% of site value)	0.75%
Stamp Duty (% of value - HMRC scale)	0 to 5%

*BCIS Construction Duration Calculator
**BCIS Median - Crawley Location Factor

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Crawley Borough Council Community Infrastructure Levy Regulations 2010 (as amended) Annual CIL Rate Summary for 2020

Crawley Borough Council's [CIL Charging Schedule](#) came into effect on 17 August 2016.

Rates for Development:

Development	Zone	Charge (£ per sqm)	Index Figure for 2016	Index Figure for 2020	Indexed Rate for 2020 (£ per sqm)
Residential	Boroughwide Zone**	£100.00	271	334	£123.25
General Retail A1-A5 (excluding food supermarket)*	Boroughwide Zone**	£50.00	271	334	£61.62
Food supermarket A1 (less than 3000 sqm)*	Boroughwide Zone**	£100.00	271	334	£123.25
Food supermarket A1 (3000 sqm plus)*	Boroughwide Zone**	£150.00	271	334	£184.87
All other uses	Boroughwide Zone**	£0.00	271	334	£0.00
All uses	Gatwick Airport Zone	£0.00	271	334	£0.00

* ancillary commercial car parking spaces will not be subject to CIL charges.

** Boroughwide Zone excludes land within the defined Airport Zone which is exempt from CIL. See the [Map of CIL Charging Zones](#).

Crawley BC - Appendix I - Local Plan & CIL Viability Assessment - Policy Review

(based on CBC Draft Local Plan (January 2020))

Note: Policy summary/analysis below is based on the previous version Draft Local Plan policies which informed the earlier testing phases. The scope/detail of policies evolved through Emerging Findings Stages 1-5 on the basis of 2-way CBC and DSP dialogue informed by both viability and infrastructure needs. The current (new) version Reg 19 Local Plan policies will supercede the below and were informed and developed through this process - with the latest iterations tested as outlined in earlier sheets of this Appendix.

Policy Name / No.	Cost / Other Impact for		Addressed where applicable through specific study approach / assumptions - associated commentary / Cost allowance
		Yes	
		Potential	
Draft Crawley Borough Local Plan 2020-2035 January 2020 - Strategic Policies			
SD1: Presumption in Favour of Sustainable Development			Reflected within overall build cost assumptions (including an allowance for sustainable construction) and location of development. Assumed development appropriate in terms of general design / layout etc. as would be permitted under the range of development management criteria.
SD2: Enabling Healthy Lifestyles and Wellbeing			Considered through range of s.106/other costs assumptions including open space allowance and overall design quality principles - all as would be permitted under the range of development management criteria and as considered by other specific related policies.
SD3: North Crawley Area Action Plan			Considered though the agreed development scenarios (residential and non-residential) for testing and the range of Value Levels adopted being representative of different areas of the Borough including the North of Crawley which is designated for an Area Action Plan (AAP).
CL1: Neighbourhood Principle			Although more of a planning and land use implication than for viability consideration, general development appraisal assumptions will apply as informed by this policy analysis.
CL2: Making Successful Places - Principles of Good Urban Design			Considered through the overall build costs generally including professional fees (e.g. architect fees) particularly relating to design principles as well as general development management criteria. Also refers to being subject to Policies CL3 and CL4 below.
CL3: Local Character and the Form of New Development			Although more of a planning and land use implication than for viability consideration, an indirect cost implication may exist in relation to scale and form of development - more of a design, development management related consideration. However could have a site specific impact and as such would need to be treated as abnormal costs in weighing up the overall viability position on a particular site.
CL4: Effective Use of Land: Sustainability, Movement and Layout			The policy refers to general design principles, effective use of land including sustainability in terms of it's wider application. DSP assume associated costs are reflected within overall build cost assumptions and location of development. Assume development appropriate in terms of general design / layout etc. as would be permitted under the range of development management criteria. Policy also references meeting requirements of Policy CL3 above.
CL5: Form of New Development - Layout, Scale and Appearance			DSP would consider the design policies to be addressed as part of the general nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals. However, could have a site specific impact and would need to be treated as abnormal costs at planning application stage rather than at plan making stage. Larger 'strategic' sites have been specifically tested where required. Density requirements have been adopted following reference to the requirements set out in this policy.
CL6: Structural Landscaping			Linked to Policy CL5 above, may also relate to Policies regarding biodiversity and habitats. Overall, generally more of a planning / land use / design related implication than with specific viability impacts beyond the usual range of assumptions.
CL7: Important and Values Views			No direct impact on our assumptions / cost allowance - more of a planning and land use implication.
CL8: Development Outside the Built-Up Area			
CL9: High Weald Area of Outstanding Natural Beauty			Although more of a planning and land use implication than for viability consideration, an indirect cost implication may exist in relation to scale and form of development - more of a design, development management related consideration. However could have a site specific impact and as such would need to be treated as abnormal costs in weighing up the overall viability position of potential development within AONB e.g. windfall.
DD1: Normal Requirements of All New Development			Reflected within overall build cost assumptions (including an allowance for sustainable construction and wider infrastructure) and location of development. Assumed development appropriate in terms of general design / layout etc. as would be permitted under the range of development management criteria. Specific allowances will be made for strategic site testing at later project stages (tbc).
DD2: Inclusive Design			Although the broader design requirements are considered through general cost assumptions / development management criteria, specific assumptions have been made in connection with Building Regulations Part M - as specified in the policy detail. See Appendix I Residential Assumptions for assumption detail. Also see Policy CL5: Form of New Development - Layout, Scale and Appearance above.

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		Yes	
		Potential	
		No	
DD3: Standards for All New Developments (including conversions)			Policy DD3 sets out the Nationally Described Space Standards (October 2015) which has been adopted in DSP's residential assumptions.
DD4: Tree and Landscaping Character Planting			See Policy CL5: Form of New Development - Layout, Scale and Appearance above - considered as part of general design / development management criteria. Tree planting @ £700 per new dwelling included as a fixed cost in appraisals.
DD5: Tree Replacement Standards			More of a planning and land use implication than for viability consideration. No particular additional viability assumptions apply.
DD6: Aerodrome Safeguarding			
Draft Crawley Borough Local Plan 2020-2035 January 2020 - Non-Strategic Policies			
DD7: Advertisements			No direct impact on viability, rather a planning and land use implication.
DD8: Crossovers			
EP2: Flood Risk Guidance for Householder Development, Small Non-Residential Extensions			
Draft Crawley Borough Local Plan 2020-2035 January 2020 - Strategic Policies - Continued			
HA1: Heritage Assets			More of a planning/design/land use implication than for viability consideration.
HA2: Conservation Areas			See Policy CL5: Form of New Development - Layout, Scale and Appearance above.
HA3: Areas of Special Local Character			Although more of a planning and land use implication than for viability consideration, an indirect cost implication may exist in relation to scale and form of development if permitted - more of a design, development management related consideration.
HA4: Listed Buildings and Structures			More of a planning/design/land use implication than for viability consideration.
HA5: Locally Listed Buildings			
HA6: Historic Parks and Gardens			No direct impact to DSP's assumptions.
HA7: Heritage Assets of Archaeological Interest			See Policy HA1: Heritage Assets above.
OS1: Open Space, Sports and Recreation			Assumed £3,000 per dwelling which covers open space as set out in The Open Space Assessment 2016 (tbc on checking for update); which states that "Open Space has been included in the Regulation 123 list to enable funding through CIL. On site open space requirements for new development continue to be delivered through section 106 agreements of planning conditions". Where applicable, DSP has made bespoke assumptions for Open Space, otherwise assume forms part of our general land take % assumption.
OS2: Provision of Open Space and Recreational Facilities			See policy OS1: Open Space, Sports and Recreation above.
OS3: Rights of Way and Access to the Countryside			No direct impact on our assumptions / cost allowance - more of a planning and land use implication.
IN1: Infrastructure Provision			Considered through range of s.106/other cost assumptions (in addition to CIL). In practice a range of sites will trigger mitigation requirements (localised works or contributions) but those will vary with the site-specific details. DSP consider £3,000/dwelling forms an appropriate sum, effectively as contingency, for such measures. it follows that for all tests at £3,000 per dwelling, the immediate/essential highways mitigation/s.278 works are assumed to be specifically allowed for. CIL tested at a range of rates. Specific allowance will be made for strategic site testing at later project stages (tbc).
IN2: The Location and Provision of New Infrastructure			See Policy IN1: Infrastructure Provision above.
IN3: Supporting High Quality Communications			No direct impact on DSP's assumptions.
EC1: Sustainable Economic Growth			Commercial (non-residential) scenarios/typologies to be tested as informed by the detail as set out in this policy i.e. including B use classes, and relevant E use classes (formerly B use classes), at an appropriately high level for the study purpose. These will cover a range of values representing the variety relevant in different areas in the Borough, linking to Policy EC2 below.
EC2: Economic Growth in Main Employment Areas			Non-residential development will be focused in the main employment areas which are set out in this Policy. These will be reflected in the types and scales of scenarios/typologies tested alongside varying values - all at an appropriately high-level for the study purpose.
EC3: Manor Royal			Although more of a planning/ land use implication, a range of non-residential typologies have been tested including those types likely to come forward at Manor Royal. However, policy notes a financial contributions is required towards public realm improvements which has been assumed within our appraisal assumptions (TBC)
EC4: Employment and Skills Development			The appropriate contributions have been calculated as per CBC's costs calculator and taken into account in commercial appraisal modelling. This relates to land use and development type and based on the results of the cost calculator we consider the effect on viability to be minimal.
EC5: High Quality Office Provision			See Policy EC1 above. Policy GAT3 is also referenced and considered as part of this policy analysis.
EC6: Visitor Accommodation			DSP will consider high-level review of typical tourism related development typologies including hotels, with research for rents focused in the Town Centre, Manor Royal and Gatwick Airport area(s).

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	Yes	Potential	
	No		
EC7: Evening and Night-Time Economy			No direct impact on our assumptions / cost allowance - more of a planning and land use implication. Associated development would be considered under former use classes order A (now falling under E, F.2 or sui generis) as part of our high-level testing.
EC8: Supporting the Creative Industries			No direct impact on our assumptions / cost allowance - more of a planning and land use implication.
EC9: Flexible Temporary Cultural and Creative Uses			
EC10: Employment Development and Residential Amenity			No direct impact on our assumptions / cost allowance - more of a planning and land use implication.
EC11: Neighbourhood Parades			
EC12: Rural Economy			Although more of a planning and land use implication than for viability consideration, an indirect cost implication may exist in relation to scale and form of development if permitted - more of a design, development management related consideration.
GAT1: Development of the Airport with a Single Runway			A range of non-residential development typologies have been tested including those representative of typical development likely to come forward in that location. Policy describes any growth is supported by appropriate infrastructure provision. Considered through range of s.106/other cost assumptions (in addition to CIL). CIL tested at a range of rates.
GAT2: Gatwick Airport Related Parking			No direct impact on DSP's assumptions.
GAT3: Employment Uses at Gatwick			
TC1: Primary Shopping Area			A variety of retail development scenarios have been tested at an appropriate high level for the study purpose, covering a range of values representing the variety relevant in different areas and across different scheme/site types.
TC2: Town Centre Neighbourhood Facilities			
TC3: Development Sites within the Town Centre Boundary			A variety of retail development scenarios have been tested at an appropriate high level for the study purpose, covering a range of values representing the variety relevant in different areas and across different scheme/site types. Some sites specifically tested through discussion with the Council.
TC4: Active and Engaging Frontages			No direct impact on our assumptions / cost allowance - more of a planning and land use implication.
TC5: Town Centre First			Relates to Policy TC3: Development Sites within the Town Centre Boundary.
H1: Housing Provision			Considered through the agreed development scenarios for testing and the range Value Levels adopted being representative of the variety relevant to different areas of the Borough.
H2: Key Housing Sites			Considered as part of the general range of site typologies in addition to site specific testing as agreed with the Council.
H3: Housing Typologies			Considered generally through the nature and quality of development expected to come forward and be supportable through the usual planning application and development management process. Therefore reflected in the nature of the build and related costs assumptions used for all appraisals.
H3a: Estate Regeneration			
H3b: Densification, Infill Opportunities and Small Sites			Related to Policy H3: Housing Typologies above.
H3c: Town Centre Sites			See Policy H1 above. Also considered through general cost assumptions (including allowance for infrastructure costs through s106 and CIL) together with general development management criteria.
H3d: Upward Extensions			More of a planning/design/land use implication than for viability consideration.
H3e: Conversions from Commercial / Non-Residential Uses			More of a planning/design/land use implication than for viability consideration.
H3f: Open Spaces			See policy OS1: Open Space, Sports and Recreation above.
H3g: Urban Extensions			Although more of a planning/design/land use implication than for viability consideration, wider requirements relating to housing mix, general design, infrastructure costs etc. apply as described further above - all as part of the high-level approach.
H4: Future Housing Mix			Sets out the Housing mix of Private and Affordable which has been included in Residential Assumptions.
H5: Affordable Housing			40% Affordable Housing will be required from all residential developments, Council expect 75% to be Affordable Rent or Social Rent and 25% Shared Ownership, therefore 30% of AH will be Affordable/Social Rent and 10% Shared Ownership. However only triggered at 10 dwellings or above, a commuted sum towards off-site AH provision will be sought for under 10 dwellings.
H6: Build to Rent			Build to rent tested as a specific typology as part of the assessment as per the requirements set out here.
H7: Self and Custom Build			Self/custom build considered within the report text at an appropriately high level for the study purpose.
H8: Gypsy, Traveller and Travelling Show people Sites			More of a planning and land use implication than for viability consideration.
H9: House in Multiple Occupation			More of a planning and land use implication than for viability consideration in the study context.

Policy Name / No.	Cost / Other Impact for		Addressed where applicable through specific study approach / assumptions - associated commentary / Cost allowance
		Yes	
		Potential	
		No	
GI1: Green Infrastructure			Generally within build costs, externals together with an allowance as required for land area adjustment. Also informed by relevant SPDs as set out as required for residential assumptions.
GI2: Biodiversity and Net Gain			To the extent that the assessment assumptions consider regular design and layout characteristics. Scope of achievable planning obligations packages may be relevant to particular proposals - especially for larger/strategic scale developments where the surplus available to support a planning obligations package is likely to be considered. More of general development management matter and does not inform particular viability assessment assumptions. Allowance for Biodiversity Net Gain has been made in our general 'sustainability' allowance.
GI3: Biodiversity Sites			
GI4: Local Green Space			At a suitably high level for the study purpose, this has been considered through a range of s.106/other costs sensitivity testing together with general land take % assumption based on DSP experience together with any open space requirements as advised by the Council. Bespoke allowances made for specific sites as necessary.
SDC1: Sustainable Design and Construction			Specific allowance within overall build costs and fees so far as normal works extent is concerned. However, could have a site specific impacts and as such would need to be treated as an abnormal costs in weighing-up the overall viability position on a particular site.
SDC2: District Energy Networks			
SDC3: Tackling Water Stress			Allowed for within overall build costs and fees so far as normal works extent is concerned. Assumed Building Regulations 'optional' requirement for 110lppd. However, could have a site specific impact and as such would need to be treated as an abnormal cost in weighing-up the overall viability position on a particular site - relevant to site specific testing. Following assessment of evidence we believe that the additional cost of the 100l/p/d requirement set in the policy for new dwellings in Crawley would be de minimis, although the 80l/p/d cost in respect of the 'at Crawley' strategic typology may be greater.
EP1: Development and Flood Risk			
EP3: Land Quality			No direct impact on viability, rather a planning and land use implication. Although this may result in a site specific cost impact, we have not included generally as part of our high-level testing approach unless bespoke costs are known in connection with strategic sites.
EP4: Development and Noise			No direct impact on viability, rather than a planning and land use implication.
EP5: Air Quality			Although more of a planning and land use implication than for viability consideration, any costs relating to Air Quality will be assumed as part of the overall build costs and fees. However, could have a site specific impact requiring mitigation measures and as such would need to be treated as abnormal cost in weighing-up the overall viability position on the particular site.
EP6: External Lighting			No direct impact on viability, rather than a planning and land use implication.
ST1: Development and Requirements for Sustainable Travel			ST1 costs included as a fixed cost.
ST2: Car and Cycle Parking Standards			Although broadly more of a planning/design/land use consideration, we consider allowances through general design, development management criteria and wider costs e.g. professional fees / build costs/s106/CIL etc. to meet the requirements of this policy.
ST3: Improving Rail Stations			
ST4: Safeguarding of a Search Corridor for a Crawley Western Link Road			Any associated cost or land take assumptions considered to be within overall build costs and externals / planning obligations.